

AMENDMENTS TO THE CLAIMS:

This listing of claims will replace all prior versions and listings of claims in the application:

Claims 1-6. (Canceled).

7. (Currently Amended) A data processing system, comprising:

a processor adapted to:

~~a risk analysis and planning module that analyzes~~ analyze risk elements of interest-rate derivative and mortgage pool components, develop[[s]] plans for structuring securities based on selected interest-rate derivative and mortgage pool components, ~~and ensures such that~~ each plan overcomes an artificial leverage limitation imposed by mortgage security regulatory structuring constraints;

~~a deal structure module that validates~~ validate a securities structuring plan and initialize[[s]] files for [[the]] securities to be issued under the validated plan; and

~~an administration module for administering~~ administer [[the]] securities issued under the validated plan ~~validated and initialized by the deal structure module.~~

8. (Currently Amended) A data processing system according to claim 7, wherein ~~the risk analysis and planning module~~ analyzing risk elements of interest-rate derivative and mortgage pool components comprises using an asset pool prepayment

model that projects cash flows of a mortgage asset account based on prepayment rate parameters and asset type data provided as input from a user.

9. (Currently Amended) A data processing system according to claim 8, wherein ~~the risk analysis and planning module~~ analyzing risk elements of interest-rate derivative and mortgage pool components further comprises ~~a pool planning and stress process module that processes~~ processing projected cash flows from the asset pool prepayment model and ~~determines~~ determining whether the projected cash flows are sufficient to meet predetermined payment obligations.

10. (Currently Amended) A data processing system according to claim 9, wherein ~~the risk analysis and planning module~~ analyzing risk elements of interest-rate derivative and mortgage pool components further comprises ~~a class structuring process module that evaluates~~ evaluating derivatives for a proposed plan based on data from ~~the pool planning and stress process module~~ processing projected cash flows from the asset pool prepayment model and determining whether the projected cash flows are sufficient to meet predetermined payment obligations and a derivatives model.

Claims 11-26 (Canceled).

27. (Currently Amended) A method of adding value to mortgage-backed securities using at least one data processing system comprising:

identifying one or more pools of mortgage securities;

identifying one or more pools of interest-rate derivatives;
analyzing, using at least one data processing system, risk elements and economic variables associated with cash flows coming from the one or more pools of mortgage securities and the one or more pools of interest-rate derivatives;
strategically allocating, using at least one data processing system, cash flows from the one or more pools of mortgage securities and cash flows from the one or more pools of interest-rate derivatives to create classes of investment securities which define a new set of investment securities that overcome an artificial leverage limitation in the mortgage securities, at least one class combining cash flows from the one or more pools of interest-rate derivatives and cash flows from the one or more pools of mortgage securities; and
issuing the new set of investment securities.

28. (Previously Presented) The method of claim 27 wherein the one or more pools of mortgage securities have floating rate (FLT) and inverse floating rate (INV) classes and the FLT and INV classes are exchanged for cash flows from a derivative contract.

29. (Original) The method of claim 28 wherein the derivative contract comprises and exchange of fixed rate cash flows from the mortgage securities for variable rate cash flows from the derivative contract.

30. (Original) The method of claim 28 wherein cash flows moves both to and form the FLT and INV classes.

31. (Withdrawn) An investment security comprising:
cash flows coming from mortgage pool components; and
cash flows coming from derivative components,
wherein the cash flows from mortgage pool components and the cash flows from derivative components are allocated into tranches, whereby the value of the investment security is greater than that which would have been realized by securitizing cash flows coming from mortgage pool components alone.

32. (Withdrawn) The investment security of claim 31 wherein the cash flows coming from mortgage pool components comprise cash flows coming from a Real Estate Mortgage Investment Conduit (REMIC).

33. (Withdrawn) The investment security of claim 31 wherein the cash flows coming from mortgage pool components comprise cash flows coming from a Financial Asset Securitization Investment Trusts (FASIT).

34. (Withdrawn) The investment security of claim 31 wherein the cash flows coming from mortgage pool components comprise cash flows coming from a multiple-class mortgage cash flow security.

35. (Withdrawn) The investment security of claim 31 wherein the cash flows coming from mortgage pool components comprise cash flows coming from a collateralized mortgage obligation.

36. (Withdrawn) The investment security of claim 31 wherein the derivative components comprise swaps.

37. (Withdrawn) The investment security of claim 36 wherein the swaps comprise fixed rate for floating rate interest rate swaps.

38. (Withdrawn) The investment security of claim 36 wherein the swaps comprise financial index swaps.

39. (Withdrawn) The investment security of claim 31 wherein the derivative components comprise call options on mortgage-backed securities.

40. (Withdrawn) The investment security of claim 31 wherein the derivative components comprise put options on mortgage-backed securities.

41. (Withdrawn) The investment security of claim 31 wherein the derivative components comprise caps.

42. (Withdrawn) The investment security of claim 31 wherein the derivative components comprise floors.

43. (Withdrawn) The investment security of claim 31 wherein the derivative components comprise collars.

44. (Withdrawn) The investment security of claim 31 wherein the derivative components comprise corridors.

45. (Currently Amended) A system for creating investment securities which are at least partially backed by mortgage pool components comprising:

a computer adapted to execute software comprising:

a risk analysis and planning module that analyzes risk elements of interest-rate derivative and mortgage pool components, develops plans for structuring securities based on selected components from the interest-rate derivative and mortgage pool components, and adopts plans which overcome an artificial leverage limitation imposed by mortgage security regulatory structuring constraints;

a deal structure module that validates each adopted plan and causes the securities to be issued under each validated plan; and

an administration module for administering the securities issued under each plan validated and initialized by the deal structure module.

46. (Previously Presented) A system for creating investment securities according to claim 45, wherein the risk analysis and planning module further comprises an asset pool prepayment model that projects cash flows of a mortgage asset account based on prepayment rate parameters and asset type data provided as input from a user.

47. (Original) A system for creating investment securities according to claim 46, wherein the risk analysis and planning module further comprises a pool planning and stress process module that processes projected cash flows from the asset pool prepayment model and determines whether the projected cash flows are sufficient to meet predetermined payment obligations.

48. (Original) A system for creating investment securities according to claim 47, wherein the risk analysis and planning module further comprises a class structuring process module that evaluates derivatives for a proposed plan based on data from the pool planning and stress process module and a derivatives model.

49. (Withdrawn) A method for creating investment securities, the method comprising:

creating a securities structure backed by mortgage pool components in accordance with regulatory structuring constraints, the securities structure having one or more classes of securities, at least one class being subject to an artificial leverage

limitation under the regulatory structuring constraints because it is designated for absorbing prepayment risk;

restructuring one of the at least one class designated for absorbing prepayment risk to overcome the artificial leverage limitation by combining it with at least one cash flow coming from interest-rate derivative components; and
issuing the structured securities.

50. (Withdrawn) The method according to claim 49, wherein the interest-rate derivative components comprise at least one exchange of cash flows backed by one or more mortgage pools for cash flows that are not mortgage-backed, the restructuring step combining the non-mortgage-backed cash flows with cash flows backed by one or more mortgage pools.

51. (Withdrawn) The method according to claim 49, wherein the restructuring step comprises adjusting cash flow characteristics of the at least one class designated for absorbing prepayment risk.

52. (Withdrawn) The method according to claim 49, wherein the restructuring step comprises allocating principal, interest, and other cash flows from the interest-rate derivative and the mortgage pool components to the at least one class designated for absorbing prepayment risk.

53. (Withdrawn) The method according to claim 52, wherein the restructuring step further comprises adjusting the principal and interest cash flow characteristics of the at least one class designated for absorbing prepayment risk based on the result of analyzing the risk elements of the interest-rate derivative and mortgage pool components.

54. (Withdrawn) The method according to claim 49, wherein at least one of the structured classes of securities has floating interest rate characteristics.

55. (Withdrawn) The method according to claim 49, wherein the overall value of the securities structure is increased.

56. (Withdrawn) The method according to claim 49, wherein the restructuring step further comprises:

not restructuring one or more other classes of the securities structure.

57. (Withdrawn) The method according to claim 49, wherein the restructuring step further comprises:

restructuring more than one class of the securities structure.

58. (Withdrawn) A computer program product for creating investment securities, the computer program product comprising computer-readable media having

computer-readable code, the computer program product comprising the following computer-readable program code for effecting actions in a computing platform:

program code for creating a securities structure backed by mortgage pool components, the securities structure having one or more classes of securities, at least one class being subject to an artificial leverage limitation under the regulatory structuring constraints because it is designated for absorbing prepayment risk;

program code for restructuring one of the at least one class designated for absorbing prepayment risk to overcome the artificial leverage limitation by combining it with at least one cash flow coming from interest-rate derivative components; and

program code for creating the structured securities.

59. (Withdrawn) The computer program product according to claim 58, wherein the interest-rate derivatives comprise at least one exchange of cash flows backed by one or more mortgage pools cash flows that are not mortgage-backed, the program code for restructuring comprising program code for combining the non-mortgage-backed cash flows with other cash flows backed by one or more mortgage pools.

60. (Withdrawn) The computer program product according to claim 58, wherein the program code for restructuring comprises program code for adjusting cash flow characteristics of the at least one class designated for absorbing prepayment risk.

61. (Withdrawn) The computer program product according to claim 58, wherein the program code for restructuring comprises program code for allocating principal, interest and other cash flows from the interest-rate derivative and mortgage pool components to the at least one class designated for absorbing prepayment risk.

62. (Withdrawn) The computer program product according to claim 61, wherein the program code for restructuring further comprises program code for adjusting the principal and interest cash flow characteristics of the at least one class designated for absorbing prepayment risk based on the result of analyzing the risk elements.

63. (Withdrawn) A method of creating investment securities comprising:
identifying swap cash flows having notional principal specifications that can be combined with mortgage pool component cash flows;
structuring the swap cash flows and mortgage pool component cash flows in a securities structure that creates greater total economic value than a securities structure having mortgage pool component cash flows alone; and
issuing the structured securities.

64. (Withdrawn) The method according to claim 63, wherein the swap cash flows are adjusted in accordance with one or more interest rates.

65. (Withdrawn) The method according to claim 63, wherein the notional principal specifications are adjusted in accordance with payment characteristics underlying the mortgage pool component cash flows.

66. (Withdrawn) The method according to claim 63, wherein the structuring step further comprises:

calculating potential risks and costs associated with a securities structure; and
adjusting the securities structure based on those potential risks and costs.

67. (Withdrawn) The method according to claim 63, wherein the mortgage pool component cash flows comprise cash flows from at least one Real Estate Mortgage Investment Conduit (REMIC).

68. (Withdrawn) The method according to claim 63, wherein the mortgage pool component cash flows comprise cash flows from at least one Financial Asset Securitization Investment Trust (FASIT).

69. (Withdrawn) The method according to claim 63, wherein the mortgage pool component cash flows comprise cash flows from at least one multiple-class mortgage security.

70. (Withdrawn) The method according to claim 63, wherein the mortgage pool component cash flows comprise cash flows from at least one collateralized mortgage obligation.